

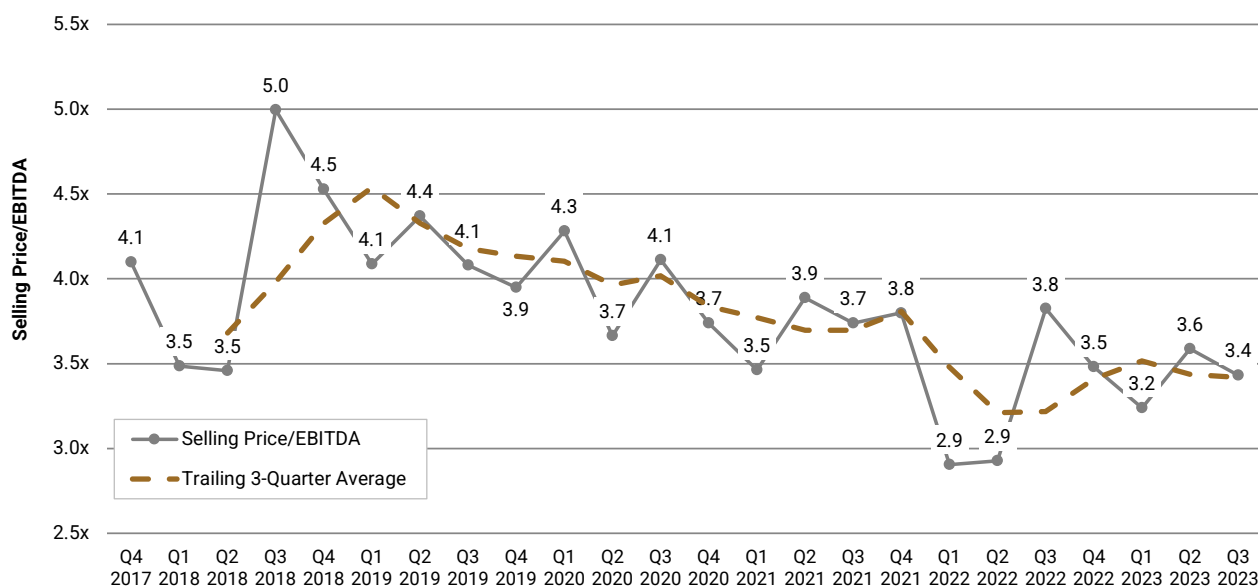
# DealStats Value Index Digest Q4 2023

This DealStats Value Index Digest is an excerpt from the DealStats Value Index. The DealStats Value Index summarizes valuation multiples and profit margins for acquired private companies by time period, sector, and size. Business Valuation Resources (BVR) captures this private company transaction data in its DealStats platform. Most BVR deals are not otherwise publicly available. The DealStats Value Index is updated quarterly and, as a result, past figures may change in future issues as new data are reported.

## EBITDA MULTIPLES RETURN TO TYPICAL LEVELS IN 2023

In the time period analyzed, EBITDA multiples across all industries were highest in the third quarter of 2018, at 5.0x, and there has been a downward trend from that high point until the second quarter of 2022. Since then, EBITDA multiples have generally been trending upward, reaching 3.6x in the second quarter of 2023 before slightly decreasing in the third quarter of 2023, to 3.4x.

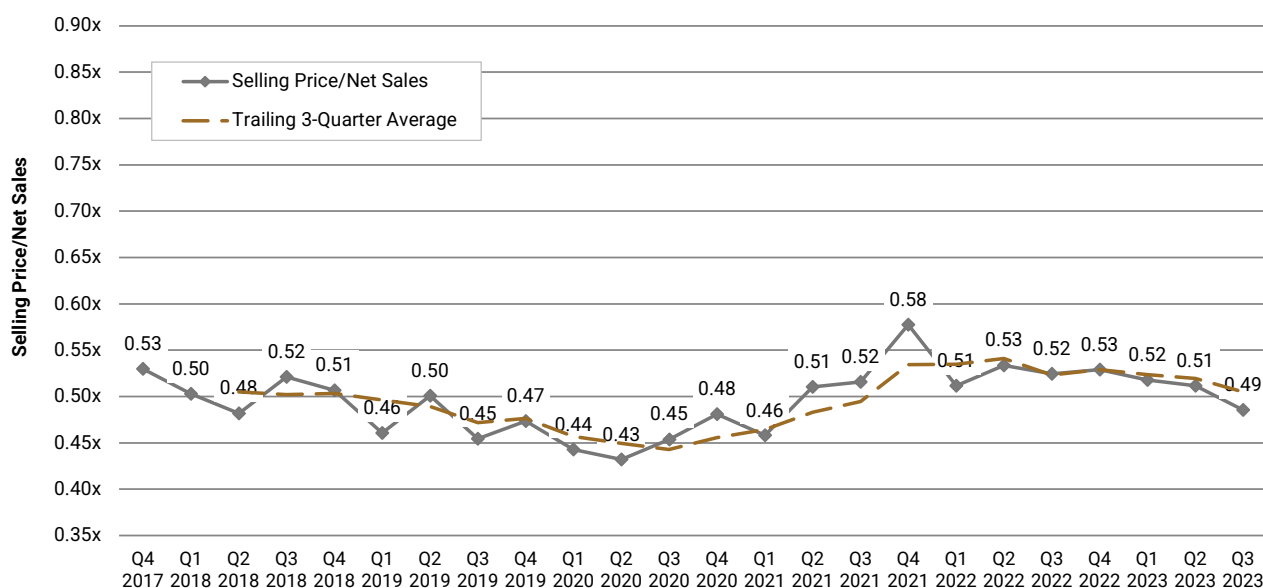
**EXHIBIT 1A. MEDIAN SELLING PRICE/EBITDA WITH TRAILING THREE-QUARTER AVERAGE (PRIVATE TARGETS)**



## NET SALES MULTIPLES NORMALIZE IN Q3 2023

In the quarters analyzed in this report, net sales multiples were at their highest in the fourth quarter of 2021, at 0.58x. Since then, net sales multiples moved to 0.49x in the third quarter of 2023. Since the third quarter of 2020, net sales multiples have generally been increasing, according to the three-quarter trailing average. This contrasts with the previous declining trend from the fourth quarter of 2017 to the second quarter of 2020. The lowest multiple recorded since the fourth quarter of 2017 was 0.43x in the second quarter of 2020.

**EXHIBIT 1B. MEDIAN SELLING PRICE/NET SALES WITH TRAILING THREE-QUARTER AVERAGE (PRIVATE TARGETS)**



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The selling prices referred to in the *DealStats Value Index* represent the market value of invested capital (MVIC) price paid for the target firm. The MVIC price is the total consideration paid to the target and includes any cash, notes, and/or securities that were used as a form of payment plus any interest-bearing liabilities of the target company that the acquirer assumed. For more information, please visit the DealStats FAQ page: [bvresources.com/products/faqs/dealstats](https://bvresources.com/products/faqs/dealstats).

The multiples and transaction data presented in the *DealStats Value Index* include both asset sale purchases and stock sale purchases. Unless otherwise noted, the multiples and transaction data presented in the *DealStats Value Index* include purchases made by both private parties and public parties.

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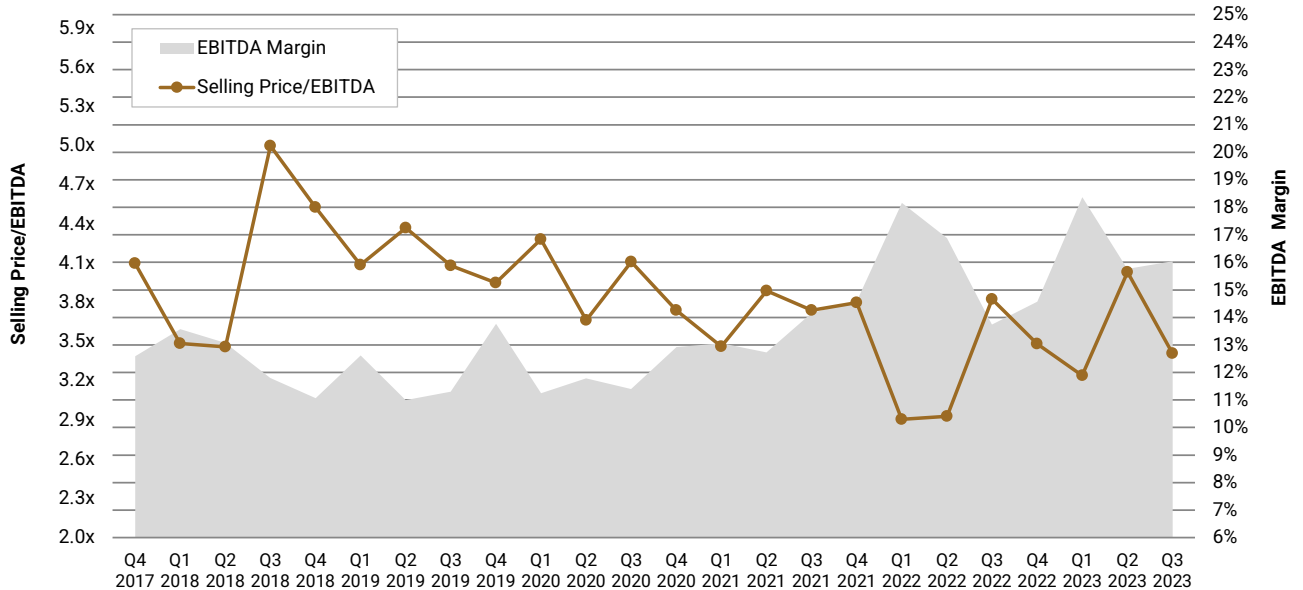
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## EBITDA MARGINS RISE IN 2022 AND MAINTAIN HIGH LEVELS IN Q3 2023

EBITDA margins began to decline in the second quarter of 2022 but have trended positively since then, reaching 16% in the third quarter of 2023.

EBITDA margins were at their highest point in the first quarter of 2023, at 18%. The previous range was between 11% and 15%, from the first quarter of 2019 through the fourth quarter of 2021. Since the fourth quarter of 2017, EBITDA margins have never been below 11%.

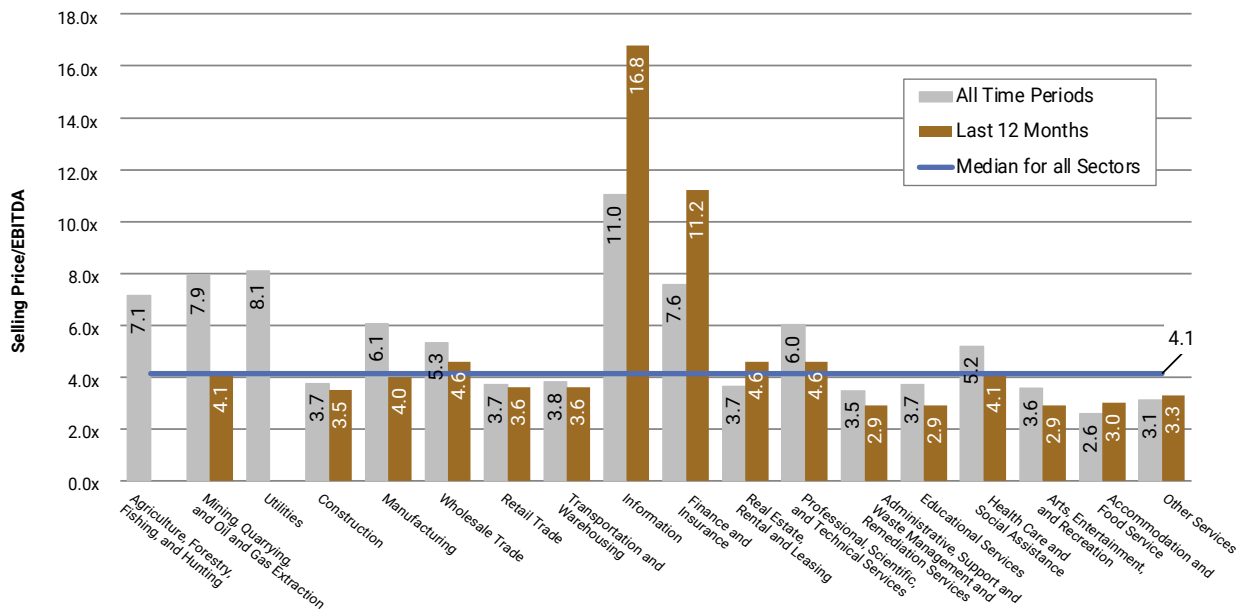
**EXHIBIT 2. MEDIAN SELLING PRICE/EBITDA WITH EBITDA MARGINS (PRIVATE TARGETS)**



## ALL-TIME MEDIAN EBITDA MULTIPLE FOR ALL SECTORS IS 4.1X

All-time EBITDA multiples remain the highest for the information sector (11.0x) and the utilities sector (8.1x). Meanwhile, the lowest all-time EBITDA multiples are in the accommodation and food services (2.6x) and the other services sectors (3.1x). The median across all industry sectors for all time periods is 4.1x. The information sector has shown a notable recent increase, with the last 12-month EBITDA multiple rising to 16.8x when compared with its all-time period multiple of 11.0x.

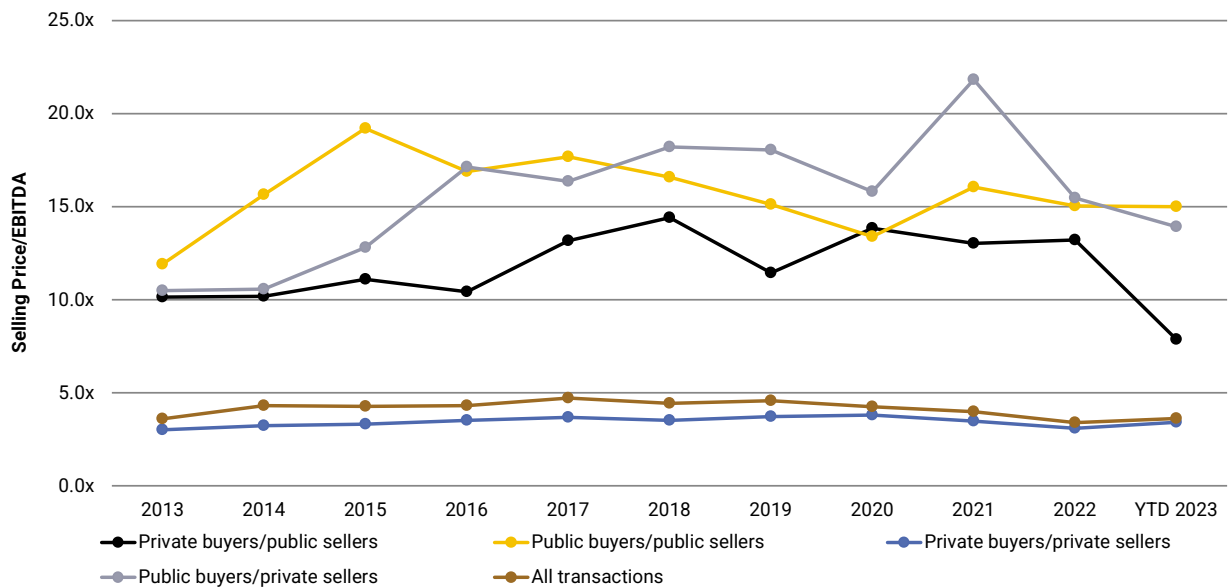
**EXHIBIT 3. MEDIAN SELLING PRICE/EBITDA BY SECTOR (PRIVATE TARGETS)**



## EBITDA MULTIPLES FOR PRIVATE-BUYER/PRIVATE-SELLER TRANSACTIONS RISE IN 2023

The all-transactions category has been generally trending downward since 2020. EBITDA multiples for private-buyer transactions involving a private seller were the only group to see an EBITDA multiple increase in 2023 year to date, rising to 3.4x from 3.1x.

**EXHIBIT 4A. MEDIAN SELLING PRICE/EBITDA (PRIVATE TARGETS)**

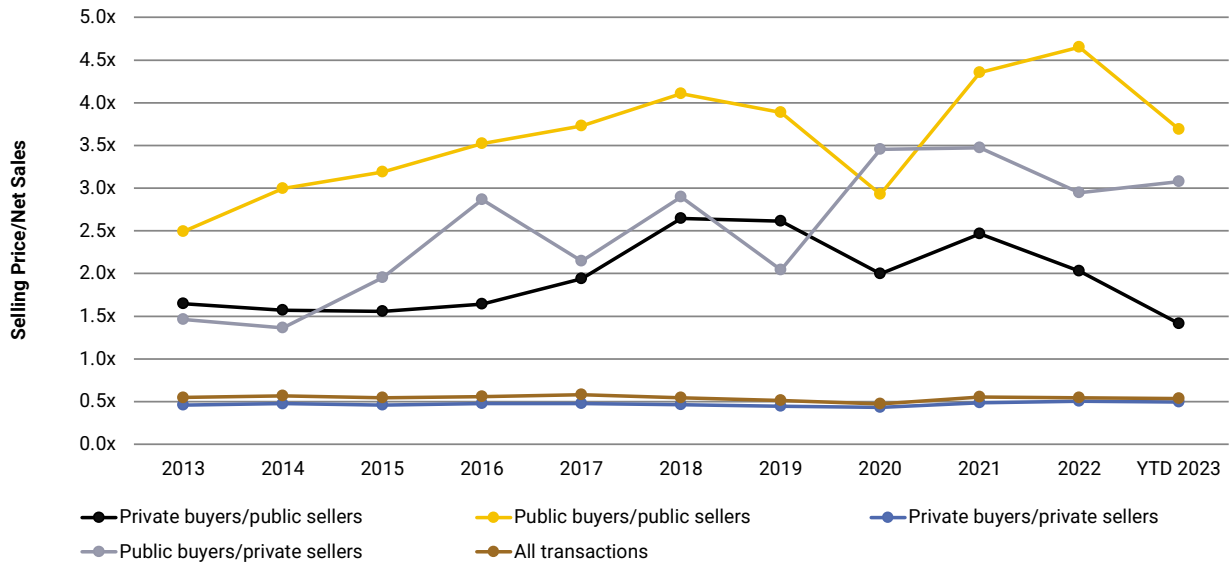


Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.

## NET SALES MULTIPLES FOR PUBLIC-BUYER/PRIVATE-SELLER TRANSACTIONS CONTINUE TO RISE

The all-transactions category declined to 0.54x in 2023 year to date, a 2% decrease compared to 2022. The lowest value for the all-transactions category in the time periods analyzed continues to be 0.47x in 2020. Among all the transaction-type categories, net sales multiples for public buyers and private sellers were the only group to exhibit an increase in their net sales multiple, rising by 4%, from 2.95x in 2022 to 3.08x in 2023 year to date.

### EXHIBIT 4B. MEDIAN SELLING PRICE/NET SALES (PRIVATE TARGETS)



Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.

## DealStats – the next generation of private & public company comps

DealStats is a state of the art platform that boasts the most complete financials on acquired companies in both the private and public sectors.

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